



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

July 1, 2013

To: All Department Heads

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## REMINDER OF RISK MANAGEMENT PLAN (RMP) REPORTS – PREVIOUSLY, RISK EXPOSURE COST AVOIDANCE PLAN (RECAP)

The Board of Supervisors continues to be very focused on reducing exposures, claims, and litigation expense, as well as advancing risk management practices within each department. As indicated in my September 25, 2009 memo, each department is to create an annual Risk Exposure Cost Avoidance Plan (RECAP) that specifies the risk management objectives and the specific activities the department will implement. However, the RECAP name is being changed to "Risk Management Plan" (RMP).

### Deadlines

The Fiscal Year 2012-13 Status Report and the Fiscal Year 2013-14 Report are both due on **August 30, 2013**. The departmental risk management presentations for the Board Deputies will continue this year. Your RMP should serve as the basis for that presentation. Also, your Management Appraisal and Performance Plan (MAPP) goals related to risk management can be incorporated into your RMP report.

Templates for both reports are attached (see Attachments I and II) and are also available on the Chief Executive Office (CEO) Risk Management Branch intranet site at: [http://riskmanagement.mylacounty.info/re\\_cap.asp](http://riskmanagement.mylacounty.info/re_cap.asp). Please note the RMP template is very similar to the RECAP template, with new sections included for Short-Term and Long-Term Disability.

The RMP reports should be submitted to:

Steven E. NyBlom  
Chief Executive Office – Risk Management Branch  
3333 Wilshire Boulevard, Suite 820, Los Angeles, CA 90010  
Fax No. (213) 252-0404  
Email: [snyblom@ceo.lacounty.gov](mailto:snyblom@ceo.lacounty.gov)

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### Report Content

The RMP includes an overview of your department's risk management program, risk issues based on departmental exposures or loss trends, risk management objectives for the coming year, and statistical information.

### Data Availability

- Liability Claim Performance data is provided through the Cognos reports that are sent to each department every first week of the month.
- Workers' Compensation Claim Performance, Short-Term Disability, and Long-Term Disability data will be provided by the CEO Risk Management Branch once available (estimated distribution is August 1, 2013).
- Vehicle and Fleet Safety Performance and Return-to-Work Performance data are maintained at the department level.

For assistance in developing your department's RMP reports, please contact Steven E. NyBlom, Manager, at (213) 738-2214 or [snyblom@ceo.lacounty.gov](mailto:snyblom@ceo.lacounty.gov).

If you have any questions, please call Steven T. Robles, Assistant Chief Executive Officer/County Risk Manager, at (213) 351-5346.

WTF:BC  
STR:SEN:mld

### Attachments

c: Board of Supervisors

**RISK MANAGEMENT PLAN (RMP)**  
*(Previously: Risk Exposure Cost Avoidance Plan [RECAP])*  
**STATUS REPORT – FISCAL YEAR 2012-13**  
**(Due August 30, 2013)**

DATE	DEPARTMENT

Summary and Assessment of Results:

*Include a summary of your department's activities and an assessment of your results.*

*Note: The first two columns from the table below are from your Fiscal Year 2012-13 RECAP, Part 8, Departmental Risk Management Objectives.*

RISK MANAGEMENT OBJECTIVES	PROJECT ACTIVITY DESCRIPTION (INCLUDE RESPONSIBLE INDIVIDUAL)	PROJECT STATUS
Include content from your FY 2012-13 RECAP	Include content from your FY 2012-13 RECAP	Add the current status of each activity

This status report should be submitted to:

Steven E. NyBlom  
 Chief Executive Office – Risk Management Branch  
 3333 Wilshire Boulevard, Suite 820  
 Los Angeles, CA 90010

Fax No. (213) 252-0404  
 Email: [snyblom@ceo.lacounty.gov](mailto:snyblom@ceo.lacounty.gov)

## Department Name

### Risk Management Plan: FY 2013-14 (Previously: Risk Exposure Cost Avoidance Plan [RECAP])

This Risk Management Plan describes risks, trends, and mitigation measures planned to address these issues. Risk issues are identified through evaluations of business operations and review of claim trends.

*Note: This document replaces the Risk Exposure Cost Avoidance Plan (RECAP) and the Departmental Risk Management Overview issued for presentations to Board Deputies.*

#### **APPROVALS:**

\_\_\_\_\_  
Risk Management Coordinator

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department Head

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

#### Overview of Department Risk Management Program

*Insert a brief description of the department, hazards/exposures, and its risk management program (use as much space as necessary).*

	Name
Risk Management Coordinator:	
Safety Officer/Coordinator:	
Return-to-Work Coordinator:	

## **Risk Issues, Plans, and Mitigation Measures**

### **RISK MANAGEMENT ISSUE #1 (*sample*)**

Issue: Liability arising from the use of vehicles.

Risk Management Plan / Mitigation Measure:

- Implement a Department of Motor Vehicles Employer Pull Notice Program where the DMV notifies the department when there is a change in a driver's license status.
- Implement a standardized process for handling mileage permittee property damage claims, including a step-by-step checklist of how to evaluate such claims.

Responsible Party:

Completion Date:

### **RISK MANAGEMENT ISSUE #2 (*sample*)**

Issue: The need to augment existing risk management efforts through training and reviewing departmental policies and procedures.

Risk Management Plan / Mitigation Measure:

- Develop and provide training sessions on employment practices liability or other subject(s) to provide refresher training for managers, supervisors, and/or employees.

Responsible Party:

Completion Date:

*Add additional space if more issues are being reported*

**Statistical Information** (\*\* data to be provided when available)

<b>Claim Performance</b> (data provided by CEO; see footnotes)				
<b>Measure</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>3-Year Average</b>
<b>WORKERS' COMPENSATION</b>				
1. Number of Workers' Compensation claims filed during the period				
2. Number of employees as of June 30				
3. Workers' Compensation Claim Report Rate (number of claims reported per 100 employees) for the period				
Benchmark: Countywide Average Workers' Compensation Claim Report Rate (all departments)	11.7	11.2	***	
Benchmark: Countywide Average Workers' Compensation Claim Report Rate (all departments, excluding Fire, Probation, Sheriff)	6.7	7.5	***	
Benchmark: Countywide Average Workers' Compensation Claim Report Rate (Fire, Probation, Sheriff only)	25.0	22.8	***	
4. Workers' Compensation expense paid during the period (including final accounting of allocated and unallocated expenses)				
5. Workers' Compensation Expense Rate (expenses paid per current employee) for the period				
Benchmark: Countywide Average Workers' Compensation Expense Rate (all departments)	\$3,266	\$3,505	***	
Benchmark: Countywide Average Workers' Compensation Expense Rate (all departments, excluding Fire, Probation, Sheriff)	\$2,179	\$2,258	***	
Benchmark: Countywide Average Workers' Compensation Expense Rate (Fire, Probation, Sheriff only)	\$6,167	\$6,822	***	
6. Salary Continuation and Labor Code 4850 paid during the period (100%IA, 70%IA, MegaIA)				
<b>AUTOMOBILE LIABILITY</b>				
7. Number of Automobile Liability claims filed during the period				
8. Automobile Liability indemnity (OC) paid during the period				
9. Automobile Liability legal fees and costs (SS) paid during the period				
<b>GENERAL LIABILITY</b>				
10. Number of General Liability claims filed during the period				
11. General Liability indemnity (OC) paid during the period				
12. General Liability legal fees and costs (SS) paid during the period				

**Claim Performance** (data provided by CEO; see footnotes) [Continued]

Measure	FY 2010-11	FY 2011-12	FY 2012-13	3-Year Average
<b>MEDICAL MALPRACTICE</b>				
13. Number of Medical Malpractice claims filed during the period				
14. Medical Malpractice indemnity (OC) paid during the period				
15. Medical Malpractice legal fees and costs (SS) paid during the period				
<b>TOTAL CLAIMS AND EXPENSE</b>				
16. Total number of claims filed during the period				
17. Total expenses paid during the period				
18. Department operating budget				
19. Cost of Risk (% total expenses paid / operating budget)				
Benchmark: Countywide Cost of Risk	2.10%	2.21%	***	

- All workers' compensation loss information is available on the CEO Risk Management Branch RECAP intranet site.
- The number of employees is the sum of currently filled full-time and part-time positions (see monthly payroll report).
- The number of liability claims is the total of all claims (including all suffixes) entered into the Risk Management Information System (RMIS) during the fiscal year (see monthly Cognos report).
- Total paid for liability is based on transaction dates within each fiscal year as listed in RMIS (see monthly Cognos report).

**Vehicle and Fleet Safety Performance** (data maintained at the department level)

Measure	FY 2010-11	FY 2011-12	FY 2012-13	3-Year Average
<b>DEPARTMENT-OWNED VEHICLES</b>				
20. Number of Department-owned vehicles as of June 30				
21. Total number of vehicle accidents involving Department-owned (or leased) vehicles				
22. Total cost paid for damage involving Department-owned (or leased) vehicles (not including third party claim/damage cost)				
23. Number of miles driven by Department-owned (or leased) vehicles				
24. Number of vehicle accidents involving Department-owned (or leased) vehicles per 100,000 miles				
Benchmark: Countywide	1.60	1.78	***	
<b>PERMITTEE DRIVERS</b>				
25. Number of Department permittee drivers as of June 30				
26. Total number of vehicle accidents involving permittee drivers				
27. Total cost paid for damage involving vehicles driven by permittee drivers (not including third party claim/damage cost)				
28. Number of permittee miles driven during period				
29. Number of vehicle accidents involving permittee drivers per 100,000 miles				
Benchmark: Countywide	1.95	2.02	***	***

**Return-to-Work Performance (industrial and non-industrial)**

(data maintained at the department level)

Measure	FY 2010-11	FY 2011-12	FY 2012-13	3-Year Average
30. Number of active return-to-work cases as of June 30				
31. Number of employees on medical leave (excluding pregnancy)				
32. Number of employees on work hardening transitional assignment agreements as of June 30				
33. Number of employees on conditional assignment agreements as of June 30				
34. Number of return-to-work cases closed in the prior year				

**Short Term Disability (data will be provided from Sedgwick when available)**

Measure	FY 2010-11	FY 2011-12	FY 2012-13	3-Year Average
35. Number of active claims as of June 30				
36. Number of claims closed during the fiscal year				
37. Number of closed claims reaching maximum benefit duration during the fiscal year				
38. Number of new claims converted to LTD during the fiscal year				
39. Number of new claims during the fiscal year				
40. Number of lost workdays paid under STD during the fiscal year				
41. Number of lost calendar days, including elimination period, for closed claims				
42. Total payments for all claims paid during the fiscal year				
43. Number of paid lost workdays for closed claims				

**Long Term Disability (data will be provided from Sedgwick when available)**

Measure	FY 2010-11	FY 2011-12	FY 2012-13	3-Year Average
44. Number of active claims as of June 30				
45. Number of claims closed during the fiscal year				
46. Fiscal year payments for active claims				
47. Total payments to date on claims closed during the fiscal year				



## Performance Data and Statistical Goal Definitions

Liability Claim:	A document submitted by a third party in accordance with statutory requirements, and alleging personal injury, bodily injury, property damage, or other losses sustained due to the acts or omissions of the County, its employees, officers, or agents. This is the total number of open/closed claims that were filed during the period. A claim includes all lawsuits and claims, but does not include incident reporting, unless a claim is opened as a result of the incident report.
General Liability Claim:	Claim arising when negligent acts and/or omissions result in bodily injury and/or property damage on the premises of a business, when someone is injured as the result of using the product manufactured or distributed by a business, or when someone is injured in the general operation of a business.
Vehicle Liability Claim:	Claim arising from negligent operation of a motor vehicle involving third party damage to property and/or people.
Medical Malpractice Claim:	Claim arising from professional negligence by act or omission by a health care provider in which care provided deviates from accepted standards of practice in the medical community and causes injury <i>or death</i> to the patient.
Indemnity Cost (OC):	Amount of money paid to compensate claimant and/or plaintiffs for damages, including their attorney fees and cost that are paid by the County. Also referred to as the settlement amount. Cost listed as (OC) in RMIS.
Legal Fees and Costs (SS):	Amount of money paid for defense counsel (in-house and/or panel attorney) for a claim that is paid by the County. Cost listed as (SS) in RMIS.
Total Paid:	This is the actual amount of money paid on a claim during the reporting period. This is not the amount agreed to or discussed in settlement, but the actual amount of money disbursed on the claim, to include both indemnity (OC) and legal fees and costs (SS).
Workers' Compensation Claim:	Claim filed by Department employee for injury and/or illness that arose out of the course and scope of employment and provides compensation and medical care for employees who are injured in the course of employment, in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence.
Salary Continuation / Labor Code 4850:	Supplemental salary replacement benefits paid in excess of indemnity benefits provided by the workers' compensation system according to County Code or State of California law.
Active Return-to-Work Case:	Employee is off work due to an industrial or non-industrial disability. Employee is working in any temporary modified/alternative position pending resolution of work status. Employee has a pending request for reasonable accommodation. Any situation where the department determines risk exposure requires ongoing action or monitoring.  <b>Additional information about return-to-work can be found in the Return-to-Work Desk Reference Manual at <a href="http://ceo.lacounty.gov/RTW/rtw_default.htm">http://ceo.lacounty.gov/RTW/rtw_default.htm</a>.</b>
Return-to-Work Cases Closed:	Employee has returned to usual and customary position with or without work restriction (and department has no risk exposure concerns). Employee has returned to a permanent modified/alternative position and has demonstrated the ability to perform the essential functions of the position with or without a reasonable accommodation.
Work Hardening Transitional Assignment Agreement:	An agreement between the employer and employee that allows an employee to return to work in an assignment, performing functions other than those usually assigned, and is intended to allow an employee the opportunity to recover from their injury/illness while continuing to work. This agreement is temporary and can be revisited every 12 weeks up until the employee becomes Permanent and Stationary (P&S) or has achieved Maximum Medical Improvement (MMI).

## Performance Data and Statistical Goal Definitions [Continued]

Conditional Assignment Agreement:	An agreement between the employer and employee that allows an employee to work in a temporary assignment while the department conducts a department-wide or Countywide search for a compatible position. This status is determined when an employee with an Industrial Injury/Illness becomes Permanent and Stationary (P&S) or has reached Maximum Medical Improvement (MMI); or an employee with a Non-Industrial Injury/Illness obtains a work restriction (either temporary or permanent). If a position cannot be identified within the employee's department, then a Countywide Job Search shall be conducted.
Vehicle Accident:	An accident involving a Department-owned/leased vehicle and/or a permittee-owned vehicle (including drivers classified as occasional drivers) that resulted in damage or any other type of loss to persons, property, etc.
Department-Owned / Leased Vehicles:	Vehicles driven by County employees owned or leased by the Department or County. These are not the drivers' personal vehicles.
Number of Miles Driven During Period:	Actual number of miles driven by Departmental drivers for County-related activity (course and scope of work).
Permittee Driver:	County employee who is participating in the County permittee driver program and is certified/approved to drive a non-Department-owned vehicle for work purposes.
Risk Management Information System (RMIS):	The County's risk management and claims administration management system with ad-hoc reporting capabilities, which supports County claims administration and financial, statistical, and loss prevention functions.
Cost of Risk:	Percentage of Total Paid / Department Operating Budget.